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## **MEMORANDUM**

**To:** All Insurers Licensed to Write Workers' Compensation Insurance in Virginia

**From:** Mary M. Bannister  
Deputy Commissioner of Insurance, Property and Casualty Division

**Date:** May 16, 2006

**Re:** Revised Workers' Compensation Voluntary Market Loss Costs and Assigned Risk Rates Effective April 1, 2003, April 1, 2004, and April 1, 2005

Based on information and data provided by the National Council on Compensation Insurance (NCCI), and reviewed by the Bureau's consulting actuaries, it has been determined that loss costs and assigned risk rates for a limited number of classifications were calculated based on incomplete payroll data in the Virginia NCCI applications approved effective April 1, 2003, April 1, 2004, and April 1, 2005.

NCCI submitted corrected Virginia filings for the affected loss costs and rates on March 10, 2006, and the revised loss costs and rates have been approved by the State Corporation Commission for their original effective dates. This action will require insurers to immediately endorse all affected policies to reflect the corrected rates. With respect to policies for which final audits have already been completed, refund checks must be issued to policyholders. With respect to policies for which final audits have not yet been completed, premium adjustments may be made at the time of audit. Please note that all revisions to impacted loss costs and rates are reductions; therefore, all corrections will result in premium reductions, and not increases, all else being equal.

NCCI will provide each insurer with a list of that insurer's policies containing the affected classification codes. It will be the insurer's responsibility to verify the NCCI lists and resolve any differences with NCCI. Each insurer will then provide NCCI with a list of affected policies, the amount of the premium adjustment for each policy, and the manner of adjustment applicable, i.e. refund check or audit adjustment, and the date of the refund, audit, or anticipated audit. This process is to be completed not later than November 1, 2006.

If you have any questions regarding this procedure, please contact Dennis Kokulak at NCCI (561-893-3184) or Pat Worley at the Bureau of Insurance (804-371-9298).

See the list below for the classification codes impacted by each revised filing. The revisions apply to both voluntary market loss costs and assigned risk rates.

**CLASS CODES IMPACTED BY REVISED LOSS COSTS AND RATES  
DUE TO MISSING PAYROLL DATA IN NCCI FILINGS EFFECTIVE  
APRIL 1, 2003, APRIL 1, 2004, AND APRIL 1, 2005**

**Revised Loss Costs and Assigned Risk Rates Effective April 1, 2003  
Case No. INS-2006-00083**

1472	3865	6005	7600
1701	5059	6204	7601
2003	5146	6217	7723
2174	5183	6325	8227
2702	5221	6836	8304
3632	5538	7229	8748
3724	5551	7231	9521
3726	5645	7580	9554

**Revised Loss Costs and Assigned Risk Rates Effective April 1, 2004  
Case No. INS-2006-00082**

0008	5022	5645	8102
0042	5057	6005	8288
0083	5059	6204	8293
1016	5102	6252	9521
1701	5403	7229	9534
2174	5538	7231	3726
5551	7723	3865	5610
8008			

**Revised Loss Costs and Assigned Risk Rates Effective April 1, 2005  
Case No. INS-2006-00081**

1016	5059	5645	7723	9060
2041	5213	6005	8006	9093
2702	5437	7382	8044	9519
3681	5474	7520	8304	9521
3726	5610	7600	8393	9554